Key HR

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We ARE The Key to Your Success!

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PAYROLL

Looking Ahead to 2027: Payroll Tax Changes and Compliance

As 2026 comes to a close, employers should begin preparing for new payroll tax requirements and compliance changes expected in 2027. With evolving federal legislation, updated IRS guidance, and changing state regulations, staying informed is more important than ever.

Recent tax changes involving tips and overtime compensation have already created additional payroll reporting responsibilities. Employers may need to adjust payroll systems, track specific earnings separately, and ensure accurate employee tax reporting.

Looking ahead, businesses should pay attention to several important areas:

- Federal Tax Changes: Monitor new legislation and IRS guidance that could affect payroll calculations and reporting.
- State Compliance: Stay current on unemployment insurance, paid leave, wage requirements, and state and local taxes.
- Payroll Preparation: Review payroll systems and work with payroll providers to ensure updates are implemented accurately and on time.

How Key HR Can Help

Keeping up with changing payroll regulations doesn't have to be overwhelming. Key HR helps businesses simplify payroll administration, manage tax filings, and navigate HR compliance requirements.

With the right support, you can spend less time worrying about payroll changes and more time focusing on growing your business.

Key HR – Human Capital Management, Upgraded.

Source: Thomson Reuters, "Payroll After the midterms, payroll turns to year-end tax changes and 2027 compliance" https://tax.thomsonreuters.com/news/after-the-midterms-payroll-turns-to-year-end-tax-changes-and-2027-compliance/

Key HR is the KEY to Your Success

How successful could you be if you could focus on what you do best? It's a question worth asking. And we not only HAVE the answer... We ARE the Key!

Key HR is aligned with preferred provider companies to offer new and innovative ways to meet out clients' payroll, employee leasing, benefits and insurance needs.

Our relationship with these companies helps business owners reduce costs, save time, optimize their workforce, increase revenue and minimize risk. If your company needs to save money, address compliance issues, improve efficiencies and increase productivity, we have the solutions.

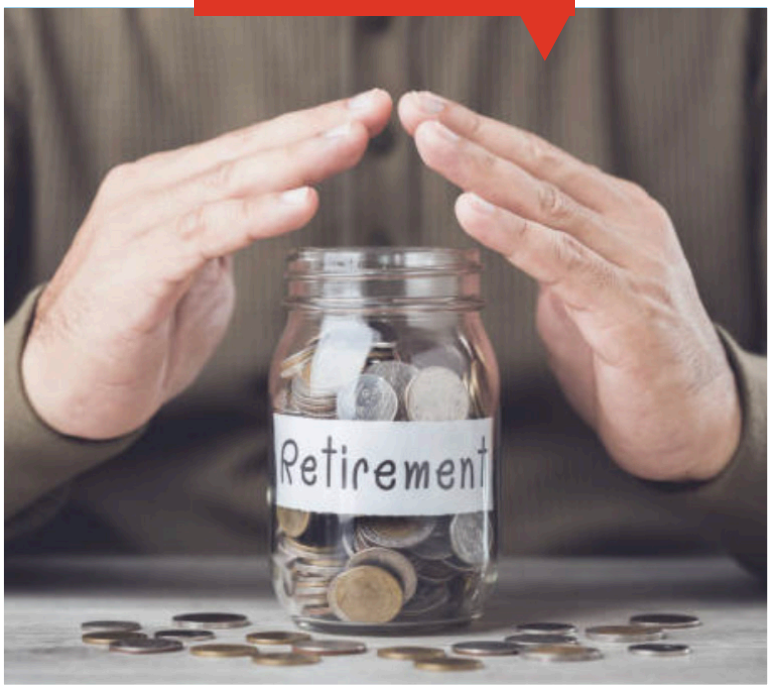
If your company needs to save money, address compliance issues, improve efficiencies and increase productivity, we have the solutions and the key to your success.

Trust Key HR to provide you with...

- Access to more service providers than any other business of our kind
- Specialists in every area of Human Resources
- Solutions for companies at all stages of development – from startups to fully mature
- A firm commitment to stay current on the laws that affect your industry and business
- Savings from 20 to 40 percent off your bottom line

It could be one of the smartest business decisions you ever make!

IRS Announces 2027 Retirement Contribution Limits: What Employers and Employees Need to Know



Planning for retirement is an important part of financial wellness, and the IRS has announced increased retirement contribution limits for 2027. These changes give employees an opportunity to save more for the future while giving employers a reason to review their retirement benefits and share important updates with their workforce.

What's Changing in 2027?

Here are some of the key retirement contribution limits for 2027:

- 401(k), 403(b), and Most 457 Plans: The annual contribution limit increases to $25,500, up from $24,500 in 2026.
- Catch-Up Contributions (Age 50+): The limit increases to $8,500, compared to $8,000 in 2026.
- Ages 60–63: Eligible employees can make additional catch-up contributions of up to $11,750, up from $11,250.
- Individual Retirement Accounts (IRAs): The annual contribution limit remains $7,500, with an additional $1,100 catch-up contribution for individuals age 50 and older.

Why These Changes Matter

Higher contribution limits give employees more opportunities to build retirement savings. However, many workers continue to face financial challenges that make saving for retirement difficult.

Recent research shows that retirement account loan usage has increased for three consecutive years and is now 22% higher than in 2022. Additionally, 51% of retirees worry about running out of money during retirement.

These concerns highlight the importance of helping employees understand their retirement options and encouraging consistent savings.

What Employers Should Do

Employers can take a proactive approach by:

- Communicating Updates: Share the new contribution limits with employees.
- Reviewing Benefits: Coordinate with retirement plan administrators to ensure plan information is current.
- Encouraging Savings: Remind employees about available contribution options and catch-up opportunities.
- Supporting Financial Wellness: Help employees understand the value of planning ahead for retirement.

Investing in Your Employees' Future

A competitive benefits package goes beyond healthcare coverage. Retirement savings opportunities are another important way to attract and retain talent while supporting employees' long-term financial well-being.

At Key HR, we understand the importance of offering benefits that help employees and businesses thrive. Our team provides benefits administration and comprehensive HR support to help businesses navigate their workforce needs.

Investing in your employees' future is an investment in the future of your business.

Key HR – Human Capital Management, Upgraded.

Source: *SHRM*, "IRS Announces Retirement Account Contribution Limits for 2027" https://www.shrm.org/topics-tools/news/benefits-compensation/irs-announces-retirement-account-contribution-limits-2027



Are Your Company's Vision Benefits Keeping Up? Why Employers Should Take a Closer Look

Vision insurance is an important part of a competitive employee benefits package, but when was the last time your company evaluated its vision plan? As eyewear costs and employee expectations continue to change, older vision plan designs may no longer provide the value employees need.

According to a recent Employee Benefit News report, outdated vision plan coverage and benefit limits may be preventing employees from fully using their benefits. This can create challenges for both employees and employers, particularly when workers skip routine eye exams because of out-of-pocket expenses.

Why Vision Benefits Matter More Than You Think

Vision coverage is about more than helping employees pay for glasses or contact lenses. Routine eye exams are an important part of preventive healthcare and can help identify potential health concerns before they become more serious.

When employees avoid regular eye exams because their coverage is inadequate or costs are too high, they may miss opportunities for early detection and treatment.

Are Your Current Benefits Meeting Employees' Needs?

Vision plans that haven't been reviewed in years may no longer reflect today's eyewear prices, available services, or employee expectations.

Employers should consider whether their current plans offer:

- Adequate coverage for routine eye exams.
- Reasonable allowances for glasses and contact lenses.
- Affordable out-of-pocket costs for employees.
- Coverage options that reflect today's eyewear marketplace.
- Benefits employees can easily understand and use.

Employers should make sure their coverage provides meaningful value to their workforce.

What Employers Should Do

Reviewing your vision benefits regularly can help identify gaps in coverage and opportunities to improve employee satisfaction.

Consider evaluating your current plan, reviewing employee utilization, comparing coverage options, and working with benefits professionals to determine whether your offerings remain competitive.

Seeing the Bigger Picture of Employee Benefits

A strong benefits package should support employees' overall health and well-being. Vision coverage is one piece of that picture, and ensuring employees can access preventive care is an important investment in a healthier workforce.

At Key HR, we understand that the right benefits package can make a difference in attracting, retaining, and supporting employees. Our team helps businesses evaluate their benefits options and find solutions that align with their workforce needs and business goals.

Don't let outdated benefits keep your employees from receiving the care they need. Make sure your benefits strategy is keeping up!



The Only Thing That Will Change is Your Bottom Line

Worker's Compensation is a critical business issue. If you haven't thought much about it, chances are it's costing you too much – and if an incident happens, it can cost you a lot more.

Key HR will work on your behalf in dealing with premiums, claims, regulators and injured workers to ensure the best possible outcomes for your business, your employees, and your bottom line.

Let us help you eliminate surcharges, premium deposits, audits, modifiers and sometimes down payment & lower overall workers' compensation cost in all facets of coverage.

Our PEO Services offered include:

- **Payroll**
- **Benefits**
- **Workers' Compensation**
- **Human Resources**
- **Risk Management**

To get more information on a PEO click here: http://keyhro.com/peo

Source: *Benefit News,* "Why organizations should be more closely eyeing their vision plans" https://www.benefitnews.com/news/why-organizations-should-be-more-closely-eyeing-their-vision-plans



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We Are The KEY to Your Success!

Want to learn more about what Key HR can do for your business?

Contact us today!

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Key HR Is in Nashville for IFA26!

Key HR is excited to join the IFA26 Emerging Conference, November 16–18, and our team is ready to connect with franchise leaders and growing brands in Music City!

Alicia Costoya & Andy Songer will be on the ground, and we have several opportunities for you to connect with us!

- Stop by the Marketplace – Let's Talk Growth!
- Join Our Thought Leadership Roundtable
- Attend Our Sponsored Educational Session

We look forward to seeing you in Nashville!